PATENT COOPERATION TREATY

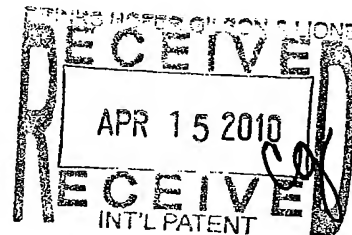PCT/US2008/075974

From the INTERNATIONAL BUREAU

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NOTIFICATION CONCERNING
TRANSMITTAL OF COPY OF INTERNATIONAL
PRELIMINARY REPORT ON PATENTABILITY
(CHAPTER I OF THE PATENT COOPERATION
TREATY)

(PCT Rule 44bis.1(c))

To:

GNOFFO, Vincent, J.
Brinks Hofer Gilson & Lione
P.o. Box 10087
Chicago, IL 60610
ETATS-UNIS D'AMERIQUE

RECEIVED APR 1 5 2010 INT'L PATENT

Date of mailing (day/month/year)	
25 March 2010 (25.03.2010)	

Applicant's or agent's file reference	
4672-698	**IMPORTANT NOTICE**

International application No.	International filing date (day/month/year)	Priority date (day/month/year)
PCT/US2008/075974	11 September 2008 (11.09.2008)	13 September 2007 (13.09.2007)

Applicant
CHICAGO MERCANTILE EXCHANGE, INC. et al

The International Bureau transmits herewith a copy of the international preliminary report on patentability (Chapter I of the Patent Cooperation Treaty)

The International Bureau of WIPO 34, chemin des Colombettes 1211 Geneva 20, Switzerland	Authorized officer **Simin Baharlou**
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Form PCT/IB/326 (January 2004)

PATENT COOPERATION TREATY

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INTERNATIONAL PRELIMINARY REPORT ON PATENTABILITY
(Chapter I of the Patent Cooperation Treaty)

(PCT Rule 44*bis*)

Applicant's or agent's file reference 4672-698	FOR FURTHER ACTION		See item 4 below
International application No. PCT/US2008/075974	International filing date *(day/month/year)* 11 September 2008 (11.09.2008)		Priority date *(day/month/year)* 13 September 2007 (13.09.2007)
International Patent Classification (8th edition unless older edition indicated) See relevant information in Form PCT/ISA/237			
Applicant CHICAGO MERCANTILE EXCHANGE, INC.			

1.   This international preliminary report on patentability (Chapter I) is issued by the International Bureau on behalf of the International Searching Authority under Rule 44 *bis*.1(a).

2.   This REPORT consists of a total of 5 sheets, including this cover sheet.

In the attached sheets, any reference to the written opinion of the International Searching Authority should be read as a reference to the international preliminary report on patentability (Chapter I) instead.

3.   This report contains indications relating to the following items:

☒ Box No. I   Basis of the report

☐ Box No. II   Priority

☐ Box No. III   Non-establishment of opinion with regard to novelty, inventive step and industrial applicability

☐ Box No. IV   Lack of unity of invention

☒ Box No. V   Reasoned statement under Article 35(2) with regard to novelty, inventive step or industrial applicability; citations and explanations supporting such statement

☐ Box No. VI   Certain documents cited

☐ Box No. VII   Certain defects in the international application

☐ Box No. VIII   Certain observations on the international application

4.   The International Bureau will communicate this report to designated Offices in accordance with Rules 44*bis*.3(c) and 93*bis*.1 but not, except where the applicant makes an express request under Article 23(2), before the expiration of 30 months from the priority date (Rule 44*bis* .2).

	Date of issuance of this report 16 March 2010 (16.03.2010)
The International Bureau of WIPO 34, chemin des Colombettes 1211 Geneva 20, Switzerland	Authorized officer Simin Baharlou
Facsimile No. +41 22 338 82 70	e-mail: pt09.pct@wipo.int

PATENT COOPERATION TREATY

From the
INTERNATIONAL SEARCHING AUTHORITY

To:
VINCENT J. GNOFFO
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PCT

WRITTEN OPINION OF THE
INTERNATIONAL SEARCHING AUTHORITY

(PCT Rule 43*bis*.1)

Date of mailing *(day/month/year)*	21 NOV 2008

Applicant's or agent's file reference	FOR FURTHER ACTION
4672-698	See paragraph 2 below

International application No.	International filing date *(day/month/year)*	Priority date *(day/month/year)*
PCT/US 08/75974	11 September 2008 (11.09.2008)	13 September 2007 (13.09.2007)

International Patent Classification (IPC) or both national classification and IPC
IPC(8) - G06Q 40/00 (2008.04)
USPC - 705/36R

Applicant   CHICAGO MERCANTILE EXCHANGE, INC.

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1. This opinion contains indications relating to the following items:

☒ Box No. I   Basis of the opinion

☐ Box No. II   Priority

☐ Box No. III   Non-establishment of opinion with regard to novelty, inventive step and industrial applicability

☐ Box No. IV   Lack of unity of invention

☒ Box No. V   Reasoned statement under Rule 43*bis*.1(a)(i) with regard to novelty, inventive step or industrial applicability; citations and explanations supporting such statement

☐ Box No. VI   Certain documents cited

☐ Box No. VII   Certain defects in the international application

☐ Box No. VIII   Certain observations on the international application

2. **FURTHER ACTION**

If a demand for international preliminary examination is made, this opinion will be considered to be a written opinion of the International Preliminary Examining Authority ("IPEA") except that this does not apply where the applicant chooses an Authority other than this one to be the IPEA and the chosen IPEA has notified the International Bureau under Rule 66.1*bis*(b) that written opinions of this International Searching Authority will not be so considered.

If this opinion is, as provided above, considered to be a written opinion of the IPEA, the applicant is invited to submit to the IPEA a written reply together, where appropriate, with amendments, before the expiration of 3 months from the date of mailing of Form PCT/ISA/220 or before the expiration of 22 months from the priority date, whichever expires later.

For further options, see Form PCT/ISA/220.

3. For further details, see notes to Form PCT/ISA/220.

Name and mailing address of the ISA/US	Date of completion of this opinion	Authorized officer:
Mail Stop PCT, Attn: ISA/US Commissioner for Patents P.O. Box 1450, Alexandria, Virginia 22313-1450 Facsimile No. 571-273-3201	12 November 2008 (12.11.2008)	Lee W. Young PCT Helpdesk: 571-272-4300 PCT OSP: 571-272-7774

Form PCT/ISA/237 (cover sheet) (April 2007)

WRITTEN OPINION OF THE INTERNATIONAL SEARCHING AUTHORITY	International application No.
	PCT/US 08/75974

Box No. I	Basis of this opinion

1. With regard to the language, this opinion has been established on the basis of:

    ☒ the international application in the language in which it was filed.

    ☐ a translation of the international application into _____ which is the language of a translation furnished for the purposes of international search (Rules 12.3(a) and 23.1(b)).

2. ☐ This opinion has been established taking into account the **rectification of an obvious mistake** authorized by or notified to this Authority under Rule 91 (Rule 43*bis*.1(a))

3. With regard to any **nucleotide and/or amino acid sequence** disclosed in the international application, this opinion has been established on the basis of:

    a. type of material

        ☐ a sequence listing

        ☐ table(s) related to the sequence listing

    b. format of material

        ☐ on paper

        ☐ in electronic form

    c. time of filing/furnishing

        ☐ contained in the international application as filed

        ☐ filed together with the international application in electronic form

        ☐ furnished subsequently to this Authority for the purposes of search

4. ☐ In addition, in the case that more than one version or copy of a sequence listing and/or table(s) relating thereto has been filed or furnished, the required statements that the information in the subsequent or additional copies is identical to that in the application as filed or does not go beyond the application as filed, as appropriate, were furnished.

5. Additional comments:

Form PCT/ISA/237 (Box No. I) (April 2007)

WRITTEN OPINION OF THE INTERNATIONAL SEARCHING AUTHORITY	International application No.
	PCT/US 08/75974

Box No. V   **Reasoned statement under Rule 43bis.1(a)(i) with regard to novelty, inventive step or industrial applicability; citations and explanations supporting such statement**

1.   Statement

Novelty (N)	Claims	None		YES
	Claims	1-22		NO
Inventive step (IS)	Claims	None		YES
	Claims	1-22		NO
Industrial applicability (IA)	Claims	1-22		YES
	Claims	None		NO

2.   Citations and explanations:

Claims 1-22 lack novelty under PCT Article 33(2) as being anticipated by US 2005/0283423 A1 to Moser et al. (hereinafter 'Moser').

As per claim 1, Moser discloses stop-loss system that mitigates the effects of a market spike caused by the triggering of conditional orders for products within a trading unit comprising:
an evaluation logic that monitors orders submitted to an automated trading engine in an automated matching system, the evaluation logic configured to compare an execution price of a conditional order to a predetermined price range (para[0013]);
a delay logic that delays a matching of the orders submitted to the automated trading engine when a price of a transaction lies outside of the predetermined price range (para[0014]);
a pricing logic that derives an opening price to be used by the automated trading engine (para[0015]);
a timing logic that measures a time interval used to delay a matching of the orders until the opening price is within a second predetermined price range (para[0016]); and
a verification logic that verifies that legs of an implied order are not in reserve, the verification logic configured to delay a matching of implied orders until all legs of the implied order are verified as not in reserve (para[0026]).

As per claim 2, Moser further discloses wherein the predetermined price range is based on a no-bust range (para[0027]).

As per claim 3, Moser further discloses wherein the predetermined price ranges comprise a varying price range and the time interval comprises a varying time interval, the varying price range and the varying time interval based on a time of day and a market volatility (para[0028]).

As per claim 4, Moser further discloses wherein the second predetermined price range comprises a multiple of a no-bust range (para[0029]).

As per claim 5, Moser further discloses wherein the opening price comprises an equilibrium price that falls substantially between the prices of the pending bids and the prices of the pending offers (para[0030]).

As per claim 6, Moser further discloses wherein the timing logic delays a matching of the orders until the opening price is within a second predetermined price range or a period of time lapses (para[0031]).

As per claim 7, Moser further discloses a matching system coupled to the evaluation logic, the matching system comprising one or more matching systems selected from the group comprising a first in, first out system, an allocation system, and a hybrid of a price and time priority (para[0013]).

As per claim 8, Moser further discloses wherein the time interval varies with a product (para[0014]).

As per claim 9, Moser further discloses wherein the legs of the implied order comprise orders for related products within the trading unit (para[0015]).

As per claim 10, Moser further discloses wherein the conditional order comprises a stop order (para[0016]).

As per claim 11, Moser discloses a system that mitigates the effects of rises or falls in market prices caused by the execution of a conditional order for products within a trading unit comprising:
an order book manager that receives orders (para[0026]);
an order processor that compares an execution price of the conditional order to a predetermined price threshold (para[0032]);
a spike control processor that delays the matching of orders received by the order book manager when an execution price of the conditional order lies outside of the predetermined price threshold, the spike control processor compares an indicative opening price to the predetermined price threshold (para[0032]);
an open market processor that opens a market when the indicative opening price lies within the predetermined price threshold (para[0032]); and
an open implied market processor that opens an implied order market when all products within the trading unit are not in reserve (para[0032]).

-Continued (See Supplemental Box)-

Form PCT/ISA/237 (Box No. V) (April 2007)

WRITTEN OPINION OF THE
INTERNATIONAL SEARCHING AUTHORITY

International application No.

PCT/US 08/75974

Supplemental Box

In case the space in any of the preceding boxes is not sufficient.
Continuation of:
Box No.V.2. Citations and explanations:

As per claim 12, Moser further discloses wherein the open market processor is configured to open the market to trading when the indicative opening price lies within the predetermined price threshold, a timed period lapses, or a manual intervention occurs (para[0032]).

As per claim 13, Moser further discloses a memory configured to retain a time parameter used to determine a maximum period of time that a matching of implied orders may be reserved (para[0032]).

As per claim 14, Moser further discloses wherein the order processor is configured to compare an execution price of the conditional order to the predetermined price threshold in real time (para[0032]).

As per claim 15, Moser further discloses wherein all products within the trading unit are not in reserve when the spike control processor no longer delays the matching of orders for products within the trading unit (para[0027]).

As per claim 16, Moser discloses a method of mitigating the effect of a market spike caused by the triggering of conditional orders for products within a trading unit, comprising:
monitoring orders submitted to an automated trading engine in an automated matching system (para[0028]);
comparing the price of a conditional order to a predetermined price range (para[0029]);
delaying a matching of orders submitted to the automated trading engine when an execution price of the conditional order lies outside of the predetermined price range (para[0030]);
deriving an opening price to be used by the automated trading engine (para[0031]);
delaying a matching of the orders until the opening price lies within a second predetermined price range or a time period lapses (para[0013]);
verifying that legs of an implied order are not in reserve (para[0014]); and
delaying a matching of implied orders until all legs of the implied order are verified as not in reserve (para[0015]).

As per claim 17, Moser further discloses delaying the matching of the orders until the opening price lies within the second predetermined price range, the time period lapses, or a manual intervention occurs (para[0016]).

As per claim 18, Moser further discloses wherein the predetermined price range is based on a no-bust range and the second predetermined price range comprises a multiple of a no-bust range (para[0026]).

As per claim 19, Moser further discloses wherein the predetermined price range comprises a varying price range that changes with a time of day or a market volatility (para[0027]).

As per claim 20, Moser further discloses wherein the opening price comprises an equilibrium price that falls substantially between the prices of the pending bids and the prices of the pending offers (para[0028]).

As per claim 21, Moser further discloses wherein the opening price is derived to fall substantially within an overlap of pending bid and offer prices (para[0029]).

As per claim 22, Moser further discloses wherein the conditional order comprises a stop order (para[0030].

Claims 1-22 have industrial applicability as defined by PCT Article 33(4) because the subject matter can be made or used in industry.

Form PCT/ISA/237 (Supplemental Box) (April 2007)